DATE: Oct. 21, 2013

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Tim Williamsen, IT Manager

SUBJECT: Resolution Authorizing City Manager to Sign Lease Documents for Replacement Computer Workstations and Software Deployment System

RECOMMENDATION

It is recommended that the City Council approve the attached Resolution, authorizing the City Manager to sign the equipment purchase order, lease documentation, and maintenance agreement documents for computer workstation replacements and software deployment system from CoreECS and Dell Leasing in a 5-year lease amount not to exceed $140,000.

BACKGROUND

The Fiscal Year 2013-2014 Budget includes a CIP item for workstation replacement. The last meaningful replacement of computer workstations occurred in 2007 and there are some units that remain in service that date back to 2005 and 2006. Prior to 2008 the City had leased computers manufactured by Dell. The old systems lack features found in more modern systems, such as the ability to support Windows 7 and future operating system versions. Further, the old workstations lack the ability to be controlled for energy efficiency and the ability to support recent software. As well, vendor maintenance contracts are no longer available and replacement parts are not readily available. Thus workstation maintenance is problematic, failures have increased and workstation slowness has become at times a barrier to staff in meeting deadlines.

The workstations installed throughout City offices have reached end of manufacturer support, thus repair response and normal updates are no longer available for many models currently in service at the City.

DISCUSSION

Most of the existing workstations were acquired under a Dell Master Lease Agreement initiated in 2005. The master lease allows the City to acquire workstations and other products from Dell.

Among the 2013-2014 Information Technology goals included in the 2013-2014 budget include replacement of 1/3 of the workstations in service. A critical role of the IT Division is to ensure
continued operations of desktop and enterprise computing functions. Replacing workstations helps to achieve that goal.

Desktop workstations require installation of software, including as many as 50 different applications and setups per computer. Installing these packages and setups requires either an allocation of staff time or preferably, use of a deployment system which remotely and quickly installs software. Installation by remote control is far more effective and allows IT staff to focus on larger problems affecting multiple users rather than single computer-related problems.

Installation of software to computer workstations has over the past 5-10 years become time-consuming and complex. Staff has located a solution, the Dell Kace 1100, capable of saving 200 hours per year in workstation deployments as well as 200 more hours per year in remote application of patches and updates.

Staff has obtained a quote from CoreECS for 70 desktops, 20 laptops, operating system installation and a Kace 1100 unit to deploy software to workstations. The equipment was formally bid and pricing obtained through the National Cooperative Purchasing Alliance. In accordance with City Municipal Code 4.04.100, the City may purchase goods and services that have been already bid and awarded by other public agencies. The alternative is purchasing via the Dell Premier program, or through either of two other vehicles. All the alternatives offer less favorable pricing than the NCPA vehicle. The obtained pricing benefits the City in that: the cost per laptop unit is 10% less than the Dell Premier program; the cost per desktop unit is 6% less than the Dell Premier program; the obtained pricing includes basic software installation not available in the Premier program, saving the City over 100 hours in staff labor; the obtained pricing includes 5-year maintenance, shipping, sales tax and recycling of shipping materials.

The technical standard computer workstation for the City was selected in 2005. That standard was and continues to be the Dell Optiplex desktop and the Latitude laptop. At the time, it was determined these provided the greatest functionality, flexibility, ease of maintenance and compatibility with existing systems. That standard has continued since 2005 and staff believes savings in employee training and technician labor will continue.

Staff has evaluated various means of deployment of software to computer workstations. Staff has attended a demonstration of the Dell Kace system at the Alameda County Water District offices. The Dell Kace system, at $36,740.32, is less costly than the Microsoft SCCM system alternative, which is estimated to be $60,000 plus $55,000 per year. Staff has determined the Dell Kace system to be most suitable for the City’s computing environment and the most compatible with Dell workstations.

Utilizing the existing Dell Master Lease Agreement, which was entered into as approved by Council with Resolution 2005-096 on June 20, 2005, the City can add the proposed acquisition as a schedule by submitting a purchase order and completing related information forms. The purchase order and leasing quote are included as Attachment 2. As previously mentioned, the purchase price of hardware, software and services is covered by the National Cooperative Purchasing Alliance (NCPA) contract, number NCPA01-01.
To distribute the costs over the life of the equipment, five years, staff recommends a lease. The full cost of the project has been anticipated and can be supported in the IT fund budget. The yearly lease expense is less than the $28,000 in the approved budget ($30,000).

Staff recommends that the Council approve the attached Resolution, authorizing the City Manager to execute all project related documents, including the equipment lease and maintenance agreement for the replacement of the computer workstations and software deployment system. Implementation of this proposed project will result in reduced risk of computer workstation functionality losses, as the new hardware will be supported by the manufacturer for the duration of the lease. Deployment of software to computer workstations will be enhanced and will allow staff to function more efficiently.

**FINANCIAL IMPACTS**

Total project costs, including hardware, software, installation, training and five years maintenance and sales tax is not to exceed $140,000. With a lease interest rate of 4.32%, lease payments will be not more than $28,000/year. The total, 5-year leased cost is therefore less than $140,000. Funding is in place within the IT budget, fund 7300. The effort is also identified and budgeted in FY 13-14 CIP budget as project E73501401.

**ATTACHMENTS**

1. Resolution Authorizing the City Manager to Sign Equipment Lease and Maintenance Agreement Documents for Computer Workstation Replacement

2. Dell Financing Services lease quote.
ATTACHMENT 1

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PETALUMA
AUTHORIZING THE CITY MANAGER TO SIGN EQUIPMENT LEASE AND
MAINTENANCE AGREEMENT DOCUMENTS FOR COMPUTER WORKSTATION
REPLACEMENTS FROM COREECS AND DELL FINANCIAL

WHEREAS, the City of Petaluma utilizes a functioning, well integrated computer
network system for the performance of all business and administrative functions; and

WHEREAS, the existing system is comprised of and depends upon well-functioning
computer workstations; and

WHEREAS, the existing systems are not any longer supported by the manufacturer for
these purposes; and

WHEREAS, the continued use of computer workstations is viewed by staff to
accomplish the necessary administrative and business functions; and

WHEREAS, the acquisition of replacement computer workstations is funded in the
Information Technology budget; and

WHEREAS, the existing City standard for computer workstations is Dell; and

WHEREAS, the evaluated software deployment system has been determined to be Dell
Kace; and

WHEREAS, cooperative purchasing requirements of the Petaluma Municipal Code,
section 4.041.00 allow for the acquisition under cooperative purchasing agreements; and

WHEREAS, the acquisition of replacement computer workstations from COREECS and
Dell Finance is covered by a cooperative purchasing, National Cooperative Purchasing Alliance,
contract #NCPA01-01.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Petaluma
as follows:

The City Council authorizes the City Manager to execute documents, including
leasing documents for Dell computer laptops, Dell computer desktops and a Kace 1100,
and maintenance agreements, to replace computer workstations in an amount not to
exceed $140,000.
DELL FINANCIAL SERVICES LEASE PROPOSAL
CITY OF PETALUMA, CALIFORNIA
Date: 08/21/13

LEASE PROGRAM: $1 Buyout Tax Exempt Lease Purchase

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<th>Quote #</th>
<th>Equipment Amount $</th>
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LESSEE: CITY OF PETALUMA, CALIFORNIA
LEASOR: Dell Financial Services LLC and/or its successors and assigns.

END OF LEASE OPTIONS:
$1 BUYOUT LEASE OPTION
Option available to Lessee upon completion of the base lease term are as follows:
Exercise the option to purchase the products for $1.00.

LEASE QUOTE: The Lease Quote is exclusive of interim rental, shipping costs, maintenance fees, filing fees, licensing fees, property or use taxes, insurance premiums and similar items which shall be for Lessee's account. Lessee will pay Payments and all other amounts without set-off, abatement or reduction for any reason whatsoever. Additionally, Lessee shall declare and pay all sales, use and personal property taxes to the appropriate taxing authorities. If you are sales tax exempt, please fax a copy of your Exemption Certificate with the Lease Contract.

PURCHASE ORDER: The Purchase Order will be made out to Dell Financial Services, One Dell Way, RR3 / MS8488, Round Rock, TX 78682. The Purchase Order will include the quote number, quantity and description of the equipment. Please be sure to indicate that the PO is for a lease order and shows the type of lease, the term length, and payment frequency. The date of the lease quote referenced should be included. Please be sure to include any applicable shipping costs as a line item. Please include your address as the SHIP TO destination.

INSURANCE: The risk of loss on the Equipment is borne solely by the Lessee. Lessee shall be required to purchase and maintain during the Term (i) comprehensive public liability insurance naming Lessor as additional insured; (ii) "all-risk" physical damage insurance in a minimum amount of the Purchase Price, naming Lessor as first loss payee; and, (iii) workmen's compensation insurance.

APPROPRIATION COVENANT: The Lease shall contain an appropriation of funds clause. The Lessee will covenant that it shall do all things legally within its power to obtain and maintain funds from which the payments may be paid and Lessee will not give priority or priority in the application of funds to any functionally similar equipment.

DOCUMENTATION: Duly executed Agreement and other appropriate documents, including, opinions of counsel, UCC financing statements, audited financials and such other documentation as is reasonably requested by Lessor.

PROPOSAL VALIDITY/APPROVALS: This is a proposal based upon market conditions and is valid for 90 days, is subject to final credit approval, review of the economics of the transaction, and execution of mutually acceptable documentation.
**Item**

**Description**

**Qty**

**Cost**

**Total**

| 659605047 | Base Unit: Dell Latitude E5430  
Processor: 3rd Generation Intel Core i5-3340M  
Memory: 4.0GB, DDR3-1600Mhz SDRAM, 1 DIMM  
Hard Drive: 320GB Hard Drive, 7200RPM  
DVD-ROM Drive: 8X DVD+/-RW  
Screen: 14.0" HD+ (1600 x 900) Anti-Glare WLED-Backlit  
Keyboard: Internal English Single Point  
Webcam: Light Sensitive Webcam  
Microphone: Noise Cancelling Digital Array  
Wireless: Intel Centrino Advanced-N 6205 802.11n 2x2 Half Mini Card  
Operating System: Windows 7 Professional with XP Mode, 64-Bit, English  
Bundled Software: No Productivity Software  
Software: Dell Data Protection Access, Version 2.3  
Software: Dell Webcam Central Software  
AC Adapter: 90W 3-Pin, AC Adapter  
Power Cord: US - 3 Foot Flat Power Cord  
Battery: 6-Cell (60WH) Primary Lithium Ion  
Port Replicator: Dell E-Port Replicator with 130-Watt Power Adapter Cord  
Service: Dell Limited Hardware Warranty Plus  
Initial Year | 1 | 1,050.00 | 1,050.00 |

**Subtotal**

**Sales Tax (8.25%)**

**Total**

---

**Name / Address**

City of Petaluma  
11 English Street  
Petaluma, CA 94952

**Phone #**

605.422.1670

**Fax #**

605.422.1675
** Name / Address **

City of Petaluma
11 English Street
Petaluma, CA 94952

---

** CORE ATG **
250 Turner Blvd.
Ball Ground, GA 30107
purchaseorders@coreecs.com

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** Estimate **

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** CORE | ADVANCED TECHNOLOGIES **


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** Project **

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** ** Your order will be subject to CORE's Terms and Conditions of Sale at www.coreecs.com/termsofconditions

** Subtotal ** $1,054.00

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Page 2
## Item
650958080

### Description
Base Unit: Dell OptiPlex 7010 Small Form Factor  
Processor: 3rd Generation Intel Core i7-3770  
Processor (3.4GHz, 8MB)  
Memory: 6GB, NON-ECC, 1600MHz DDR3, 2 DIMM  
Hard Drive: 500GB 3.5 6Gb/s SATA with 16MB DataBurst Cache  
DVD-ROM Drive: 8X SlimLine, DVD+/-RW  
Video Card: Intel Integrated HD Graphics 4000, 2-DisplayPort, 1-VGA, DisplayPort to DVI Adapter Included  
Video Cable: DisplayPort to VGA Adapter  
Monitor: No Monitor Selected  
Keyboard: Dell USB Keyboard, English  
Mouse: Dell MS111 USB Optical Mouse  
Operating System: Windows 7 Professional with XP Mode, 64-Bit, English  
Bundled Software: No Productivity Software  
Software: Dell Client System Update  
Software: Dell Data Protection Access, Version 2.3  
Chassis: Chassis Intrusion Switch  
Management: Intel Standard Manageability  
Heat Sink: Heat Sink for OptiPlex 7010 Small Form Factor  
Power Supply: Standard Power Supply for OptiPlex 7010 Small Form Factor  
Power Mode: Enable Low Power Mode  
Power Cord: Power Cord, 125V, 2M, C13

### Qty
1

### Cost
895.00

### Total
895.00

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**Subtotal**

**Sales Tax (8.25%)**

**Total**
**Name / Address**

City of Petaluma  
11 English Street  
Petaluma, CA 94952

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**Attachment 2**

**Estimate**

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**CORE ADVANCED TECHNOLOGIES**

Thinking Minds; Delivering Excellence; Transformative Solutions.

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**Project**

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**Item** | **Description** | **Qty** | **Cost** | **Total**
--- | --- | --- | --- | ---
Service: Dell Limited Hardware Warranty Plus Service, Initial Year  
Service: Dell Limited Hardware Warranty Plus Service, Extended Year(s)  
Service: ProSupport: Next Business Day Onsite Service After Remote Diagnosis, Initial Year  
Service: ProSupport: Next Business Day Onsite Service After Remote Diagnosis, 4 Year Extended  
Service: ProSupport: 7x24 Technical Support, Initial  
Service: ProSupport: 7x24 Technical Support, 4 Year Extended  
Services to be Performed:  
Imaging  
Bio Setting  
Warehouse / Re-Delivery  
***Shipping & Handling Included***
NCPA Contract  
NCPA Contract Number: NCPA01-01

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**Subtotal** $895.00

**Sales Tax (8.25%)** $73.84

**Total** $968.84

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**Phone #**  
605.422.1670

**Fax #**  
605.422.1675

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**Page 2**

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<td>Additional Nodes: Dell KACE K1100S, Add 1 Node - Quantity 250</td>
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